

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Carlyle Commodities Corp. (the "Issuer").

Trading Symbol: CCC

Number of Outstanding Listed Securities: 45,609,616

Date: December 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On December 15, 2020, the Issuer announced that it had amended (the "Amendment") the terms of an aggregate of 15,827,000 warrants (each, a "Warrant") issued by the Issuer in connection with its non-brokered private placement which closed in three tranches on March 27, 2020, April 29, 2020, and May 15, 2020.

Pursuant to the terms of the Amendment, the terms of the Warrants have been amended in order to include an acceleration provision whereby the Issuer, at any time after the respective date of issue of the Warrants, can accelerate the expiry date of the Warrants in the event the

daily trading price of the Shares equals or exceeds \$0.40 on the Canadian Securities Exchange (“CSE”) (or such other exchange on which the Issuer’s common shares may be traded) for 10 consecutive trading days by giving notice via news release to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which the news release was disseminated.

On December 17, 2020, the Issuer announced that it had entered into and closed an amalgamation agreement with Isaac Mining Corp, an arm’s length private British Columbia corporation, and 1269597 B.C. Ltd., a wholly-owned subsidiary of the Issuer, pursuant to which the Issuer acquired all of the issued and outstanding securities of Isaac Mining Corp. by way of “three-cornered” amalgamation as more particularly described in Item 7 herein.

2. Provide a general overview and discussion of the activities of management.

The Issuer is a mineral exploration company focused on the acquisition, exploration and development of mineral resource properties, specifically in the strategic battery metals sector.

The Issuer has an option agreement to purchase a 100% interest in the highly prospective Sunset Property (the “*Sunset Property*”), which consists of 4 mineral claims comprising a total of approximately 785.31 hectares located in the Vancouver Mining Division approximately 15km north of Whistler, British Columbia, and 108km north of Vancouver, British Columbia. In order to earn the interest in the Sunset Property, the Issuer must complete \$1,000,000 in exploration by June 30, 2020 (\$100,000 by September 30, 2018 (completed); \$200,000 by December 31, 2020; and \$700,000 by December 31, 2021), make cash payments of \$15,000 by April 1, 2018 (completed), and issue 666,667 Shares by April 1, 2018 (completed).

The Issuer’s wholly-owned subsidiary, BC Vanadium Corp., owns a 100% undivided, unencumbered legal and beneficial interest in both the Star and the Porcher Vanadium properties (the “*BCVC Properties*”), located in northwestern British Columbia. The BCVC Properties cover a total area of 6,740 hectares and host vanadium mineralization within large bodies of titaniferous magnetite. The BCVC Properties are strategically located on tidewater, near to the small logging community of Oona River on Porcher Island. The Issuer subsequently increased to size of the Porcher property from 3,122.16 to 3,525.46-hectares, and the Star property from 3,646.8 to 4,618.3-hectares to fully encompass newly discovered magnetic anomalies.

The Issuer’s wholly-owned subsidiary, WEM Western Energy Metals Ltd., owns a 100% undivided, unencumbered legal and beneficial interest in both the Penece and the Blackie Vanadium properties (the “*WEM Properties*”), located in British Columbia. The WEM Properties cover a total area of 2,714 hectares and host vanadium mineralization within large bodies of titaniferous magnetite. Both properties are strategically located on tidewater, near to the small coastal cities of Port Hardy (Penece – 68km) and Prince Rupert (Blackie – 96km).

The Issuer completed a Phase II prospecting program on its wholly-owned Star, Porcher and Blackie properties located along tide-water near Prince Rupert, British Columbia. A total of 125 rock samples were collected by the Issuer’s personnel from the three properties (Porcher - 61, Star - 43, Blackie - 21) with assays returning as high as 0.513% V₂O₅ (49.3% Fe, 4.01% Ti). Prospecting focused on the strongest magnetic anomalies that were mapped during the

Phase I airborne magnetic surveys, and in all cases ground truthing confirmed that these anomalies are caused by variably mineralized vanadium-rich titaniferous magnetite. The Issuer has submitted five-year area-based permit applications which will allow the Issuer to establish up to 40 drill sites on the Blackie, Porcher and Star properties.

The Issuer completed a Phase I airborne geophysics survey across its wholly-owned Fe-Ti-V Penece property located near Port Hardy, British Columbia. The results were encouraging and outlined a sizeable, ~4.5km x ~3.5km, strong northwest-southeast trending magnetic anomaly, approximately 7,000nT in amplitude. The survey was completed by Ridgeline Exploration Services Inc. out of Kelowna, British Columbia, and was flown in a systematic low-level grid pattern at 150m line spacing. The average terrain clearance was 75m across the entire survey area and a total of 402 line-km were flown.

Based on the results from the survey, the Issuer increased the size of the Penece property by 482.9-hectares to 1983.3-hectares, to fully encompass the newly discovered strong magnetic anomaly. The results from the survey will be used in helping the Issuer's technical team plan a Phase II work program, which will include prospecting, mapping and rock sampling over the geophysical anomalies.

The Issuer has an option agreement to purchase a 100% interest in and to the 7,739 hectare Cecilia Gold-Silver Project (the "*Cecilia Project*") located in the State of Sonora, Mexico. In order to earn the interest in the Cecilia Project, the Issuer must make aggregate cash payments of \$200,000 (\$10,000 on signing a Letter of Intent (completed); \$40,000 upon closing (completed); \$50,000 by July 13th, 2021; \$50,000 by July 13th, 2022; and \$50,000 by July 13th, 2023), issue 1,500,000 common shares upon closings (completed), issue 3,000,000 non-transferable special warrants (completed), and incur an aggregate of \$2,500,000 in exploration expenditures by July 13th 2023 (\$750,000 by July 13th, 2021; \$500,000 by July 13th, 2022; and \$1,250,000 by July 13th, 2023).

The Issuer has an option agreement (the "*Mack Option Agreement*") with United Mineral Services Ltd. ("*UMS*") and Amarc Resources Ltd. as operator ("*Amarc*"), pursuant to which the Issuer has the right to earn a 50% working interest (the "*Mack Option*") in the Mack Project.

The Issuer has an option agreement (the "*Jake Option Agreement*") with UMS and Amarc, pursuant to which the Issuer has the right to earn a 50% working interest (the "*Jake Option*") in the Jake gold property (the "*Jake Project*"), located in British Columbia.

Under the terms of the Mack Option Agreement and the Jake Option Agreement, the Issuer has the right to earn a 50% working interest in the Mack Project and the Jake Project by completing \$400,000 of drilling and other surveys on each property. Upon completion of the required expenditures, separate 50:50 joint ventures (each a "*Joint Venture*") will be formed between the Issuer and UMS (or its assigns) in order to continue to advance each property.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

See response to Item 7 below.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

N/A

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

On December 17, 2020, the Issuer announced that it had entered into and closed (the "Closing") an amalgamation agreement dated December 16, 2020 (the "Agreement") with Isaac Mining Corp. ("IMC"), an arm's length private British Columbia corporation, and 1269597 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Issuer, pursuant to which the Issuer acquired (the "Transaction") all of the issued and outstanding securities of IMC by way of "three-cornered" amalgamation.

Isaac Mining Corp.

Incorporated in September of 2020, IMC is a private British Columbia mineral exploration corporation which owns 100% of the Newton Gold Project (the "Newton Gold Project" or the "Project") located in the Clinton Mining Division of the Province of British Columbia.

Transaction Summary

Pursuant to the Agreement, the Issuer acquired all the issued and outstanding IMC Shares by way of a "three-cornered" amalgamation (the "Amalgamation") whereby NewCo and

IMC amalgamated pursuant to the provisions of the Business Corporations Act (British Columbia) to form one corporation, which continued under the name “Isaac Newton Mining Corp.”, a wholly owned subsidiary of the Issuer. Accordingly, each of the common shares of IMC (each, an “IMC Share”) were cancelled and, in consideration for such IMC Shares, each IMC shareholder (collectively, the “IMC Shareholders”) received one (1) common share in the capital of the Issuer (each, a “Share”) at a deemed price of \$0.25 per Share for every IMC Share held by such shareholder. An aggregate of 20,562,000 Shares (each, a “Consideration Share”) were issued to the IMC Shareholders in exchange for their respective IMC Shares, having an agreed value of \$5,140,500, as well as an aggregate of 9,531,000 Replacement Warrants (as further described below).

The Newton Gold Project

The Newton Gold Project lies within British Columbia’s exciting new gold belt, which includes Artemis Gold Inc.’s (TSXV:ARTG) very large Blackwater Gold Project, which includes a measured+indicated resource estimated at 11.7 million ounces gold and 122 million ounces of silver (Blackwater Gold Project British Columbia NI 43-101 Technical Report on Pre-Feasibility Study: authored by Sue Bird, Daniel Fontaine, Tracy Meintjes, Marc Schulte and John Thomas, August 26, 2020; www.artemisgoldinc.com). Blackwater is located approximately 185 km to the northeast of Newton and is one of Canada’s largest open-pit gold deposits and one of the world’s largest environmental assessment (EA) approved gold development projects. The age and geological characteristics of the gold mineralization at Newton demonstrate striking similarities to the mineralization at Blackwater.

The Newton Gold Project covers approximately 23,000 contiguous hectares of generally flat-lying topography, located approximately 100 km west-southwest of Williams Lake in south-central British Columbia, Canada. The area is accessible year-round by a 2.5-hour drive from Williams Lake, using Highway 20 and maintained logging roads.

The Newton Gold Project includes more than 30,000 m of drilling, and a 2012 historic mineral resource estimated at the inferred confidence level for 1.6 million ounces gold (Au), and 7.7 million ounces silver (Ag), as reported in a NI 43-101 technical report effective dated December 19, 2012 entitled “Technical Report on the Initial Mineral Resource Estimate for the New Project, Central British Columbia, Canada”, prepared by Reno Pressacco, M.Sc.(A), P.Geo., for Amarc and filed under Amarc’s profile on www.sedar.com (the “Newton Technical Report”). This inferred mineral resource estimates a grade of 0.44 g/t Au and 2.1 g/t Ag, at a cut-off grade of 0.25 g/t Au. The mineralization is typical of bulk-tonnage, low to intermediate sulphidation, disseminated epithermal gold-silver deposit. Mineralization occurs within an 800 x 400 m area defined by drilling to depths of 560 m, but primarily of depths only down to 300 m, representing a fraction within a larger 7 square kilometer hydrothermal system as defined by an induced polarity chargeability anomaly. Drill results reported in the Newton Technical Report suggest that the gold and silver mineralization may be expandable with additional possibilities to discover structurally controlled zones of higher-grade gold.

The Newton Technical Report historic estimate is the most recent mineral resource estimate for the Newton Gold Project and was prepared prior to Isaac acquiring the property from Amarc pursuant to a Mineral Purchase Agreement dated October 17, 2020. No qualified person (“QP”) (as such term is defined in NI 43-101) working for either Isaac or the Issuer

has done sufficient work to classify the historic estimate as a current mineral resource, and neither Isaac nor the Issuer is treating the historic estimate as current mineral resources. The Issuer also does not imply that information or results from the Newton Gold Project, either at present or in the future, will be similar to that of Artemis' Blackwater project.

Amarc has retained a 2.0% of the net smelter returns royalty from all products that are mined or extracted from, or that otherwise originate from the mineral claims which comprise the Newton Gold Project. There is also a 2.0% of the net smelter returns royalty on certain mineral claims at the Newton Gold Project in favour of two underlying owners, which can be purchased at any time for \$2,000,000.

Concurrent Financing

Prior to the Closing, IMC issued an aggregate of 8,062,000 units (each, an "IMC Unit") at a price of \$0.25 per IMC Unit for gross aggregate proceeds of \$2,015,500 (the "Pre-Transaction Financing"). Each IMC Unit consists of one IMC Share and one half of one IMC Share purchase warrant (each, an "IMC Warrant"), with each full IMC Warrant entitling the holder to purchase one additional IMC Share at an exercise price of \$0.50 per IMC Share for a period of 3 years from the date of issue, provided that if the closing price of the IMC Shares on any stock exchange on which the IMC Shares are then listed is at a price greater than \$1.00 for a period of 10 consecutive trading days, IMC will have the right to accelerate the expiry date of the IMC Warrants by giving written notice to the holders of the IMC Warrants by news release or other form of notice permitted by the certificate representing the IMC Warrants that the IMC Warrants will expire on the date that is not less than 30 days from the date of such notice.

In connection with the Closing, each IMC Warrant issued and outstanding immediately prior to the effective time of the Amalgamation (inclusive of those IMC Warrants issued under the Pre-Transaction Financing) was cancelled and its holder received, in exchange therefor, one warrant (each, a "Replacement Warrant") to purchase one Share. The Replacement Warrants are on the same terms and conditions as the cancelled IMC Warrants, as further described above.

Following the Closing, the Issuer has 45,609,616 Shares issued and outstanding and, in connection therewith, Amarc, the vendor of the Newton Gold Project to Isaac, now holds more than 12.0% of the issued and outstanding Shares and subject to early warning reporting obligations under National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues. Subject to finalization of agreement Amarc will act as operator of the exploration programs moving forward at the Newton Gold Project, utilizing the depth of their experience and expertise, particularly in British Columbia, further enhancing the relationship between Carlyle and HDI affiliated companies.

The Issuer relied on Section 2.11 of National Instrument 45-106 – Prospectus Exemptions for an exemption from the prospectus requirements for the issuance of the Consideration Shares to the IMC Shareholders. Prior to Closing, IMC paid a cash finder's fee of \$116,250 to an eligible finder in connection with the Transaction.

Termination of Net Profit Interest Royalty

In connection with the Transaction, the Issuer entered into a termination agreement (the “Termination Agreement”) with Amarc and AgraFlora Organics International Inc. (formerly Newton Gold Corp.) (“AgraFlora”) pursuant to which the Issuer agreed to purchase for cancellation a residual 5% net profit interest royalty (the “NPI Royalty”) on the Newton Gold Project held by AgraFlora. In consideration for the acquisition and termination of the NPI Royalty, the Issuer agreed to issue AgraFlora non-transferrable warrants (each, a “Warrant”) to purchase 200,000 Shares (each, a “Warrant Share”) at an exercise price of \$0.50 per Warrant Share for a period of 3 years from the date of issuance, subject to the terms and conditions contained in the certificate representing the Warrants.

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

See response to Item 7 above.

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

There has been a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Issuer operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Issuer's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Issuer's operations. As a result, there exists material uncertainty that casts significant doubt about the Issuer's ability to continue as a going concern.

Please also refer to the Issuer's Listing Statement dated October 23, 2018 as filed with the CSE and under the Issuer's profile on www.sedar.com.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 4, 2021.

Morgan Good

Name of Director or Senior Officer

"Morgan Good"

Signature

CEO

Official Capacity

Issuer Details <i>Name of Issuer</i>	<i>For Month End</i>	<i>Date of Report</i> <i>YY/MM/DD</i>
Carlyle Commodities Corp.	December 2020	21/01/04
<i>Issuer Address</i>		
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